

SENATE BILL 1522

By Campbell

AN ACT to amend Tennessee Code Annotated, Title 67,  
relative to taxation.

WHEREAS, tobacco use causes numerous health problems including heart disease, lung disease, and cancer; and

WHEREAS, the Campaign for Tobacco Free Kids estimated that smoking directly causes \$2.67 billion in healthcare costs in Tennessee annually; and

WHEREAS, each taxpayer in Tennessee is paying the toll for smoking and tobacco use through taxes and increased health insurance premiums, with the average household tax burden due to smoking-caused government expenditures estimated at \$1,116, even for households that have never touched a cigarette; and

WHEREAS, increasing the tax on cigarettes and other tobacco products may reduce tobacco usage, improve the overall health, and ultimately save money for all Tennesseans; and

WHEREAS, by reducing the sales tax on food in conjunction with raising taxes on tobacco, the State can achieve significant health benefits without increasing the overall tax burden on hardworking Tennesseans; now, therefore,

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-6-228(a), is amended by deleting the language "shall be taxed at the rate of four percent (4%) of the sales price" and substituting instead the language "shall be exempt from the tax imposed by this chapter".

SECTION 2. Tennessee Code Annotated, Section 67-4-1004(a), is amended by deleting the language "three cents (3¢) on each cigarette" and substituting instead the language "eight and thirty-five hundredths cents (8.35¢) on each cigarette".

SECTION 3. Tennessee Code Annotated, Section 67-4-1005, is amended by deleting the language "six and six-tenths percent (6.6%)" and substituting instead the language "seventeen percent (17%)".

SECTION 4. This act takes effect July 1, 2023, the public welfare requiring it.